

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4712-01  
Bill No.: Perfected SB 877  
Subject: Children and Minors; Department of Social Services; Domestic Relations; Family Law; Family Support Division  
Type: Original  
Date: April 7, 2010

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Bill Summary: This legislation modifies provisions relating to child support.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
General Revenue*	\$0	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Offsetting revenue and costs of \$0 or \$94,142 in FY 2011, \$0 or \$84,224 in FY 2012, and \$0 or \$86,750 in FY 2012, net to \$0.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	0 or 2	0 or 2	0 or 2
<b>Total Estimated Net Effect on FTE</b>	<b>0 or 2</b>	<b>0 or 2</b>	<b>0 or 2</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### **Sections 452.340, 454.475, 454.517, 454.557 & 454.1003:**

Officials from the **Office of the State Courts Administrator** assume the proposal would have no fiscal impact on their agency.

Officials from the **Department of Social Services-Family Support Division** assume implementation of this proposed legislation will require the Division to implement policy and procedural changes. These changes can be made with existing staff. For proposed amendments to sections 452.340 and 454.557, the Division also believes the legislation will allow the Division to redirect resources from resolving termination of support issues to collecting child support. The Division is unable to determine the impact to collections.

Officials from the **Office of the State Treasurer** assume the proposal would have no fiscal impact on their agency.

#### **Section 452.340 (SA 1 as amended):**

In response to a similar proposal from the current session (SB 910, LR # 4270-03), officials from the **Department of Labor and Industrial Relations (DOLIR) – Division of Employment Security (DES)** assumed Section 452.340.8 indicates the Missouri Supreme Court shall have a rule establishing guidelines by which any award of child support shall be made in any judicial or administrative proceeding. The guidelines shall contain specific, descriptive and numeric criteria which will result in the computation of the support obligation. The guidelines will require documentation to verify the income of the parties for the initial order of support and for any modification of such order. The documentation may include a wage match with the DES. Confidentiality requirements per Section 288.250 and 20 CFR Part 603 allow this information to only be released to the individual for whom it pertains, or to his or her attorney.

If the Missouri Supreme Court rule requires a wage match with the DES, the proposed legislation would increase the workload for the DES staff. It is assumed the inquiry would be directed toward wage match information and not unemployment insurance claim information. The DES receives money to administer the unemployment compensation program from the federal government. The money received is to be used to administer the unemployment compensation program. It is assumed the costs incurred to provide services not related to unemployment insurance would need to be funded by the use of general revenue funds. The wage match verification is not a specific function of administering the unemployment compensation program.

ASSUMPTION (continued)

Under that assumption, it is assumed the cost incurred by DES to provide information to the requesting party will be a cost to the General Revenue Fund.

If the wage match with the DES is included in the Supreme Court rule, the verification process would require the DES staff to respond to inquiries. The number of inquiries that would be generated from this proposed legislation is unknown. Based on the 27,386 divorce filings for state fiscal year 2009, this proposal could increase the additional workload to a minimum of 54,772 inquiries. This would require the DES to hire additional employees. The DES estimates it would need two additional FTE Claims Examiners at an average annual salary of \$26,590, plus benefits. Additional equipment purchases would include a scanner at an approximate cost of \$26,000 with annual maintenance. It is assumed the scanner purchase will be amortized over a three-year period. The annual office supplies cost is estimated to be \$300. Assuming 54,772 inquiries, it is estimated the cost to General Revenue for FY2011 would be \$95,833, \$86,314 in FY2012, and \$88,902 in FY2013.

**Oversight** has, for fiscal note purposes only, changed the starting salary for the Claims Examiners to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

**Oversight** assumes the inquiry fee charged by the Department of Labor and Industrial Relations (DOLIR) to the party making the wage verification request will offset any costs incurred by DOLIR.

**Oversight** has reflected the fiscal impact to Department of Labor and Industrial Relations as \$0 or an estimated cost per fiscal year because the proposal states the documentation required to verify the income of the parties may include a wage match with the Division of Employment Security. If the Supreme Court rule does not require a wage match with the Division of Employment Security, Department of Labor and Industrial Relations would incur no cost.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<b>GENERAL REVENUE FUND</b>			
<u>Revenues</u> – Department of Labor and Industrial Relations (Section 452.340)			
Fees for wage verification	\$0 or \$94,142	\$0 or \$84,224	\$0 or \$86,750
<u>Costs</u> – Department of Labor and Industrial Relations (Section 452.340)			
Personal Service	\$0 or (\$44,537)	\$0 or (\$55,048)	\$0 or (\$56,699)
Fringe Benefits	\$0 or (\$23,355)	\$0 or (\$28,867)	\$0 or (\$29,733)
Equipment and Expense	<u>\$0 or (\$26,250)</u>	<u>\$0 or (\$309)</u>	<u>\$0 or (\$318)</u>
<u>Total Costs</u> – DOLIR	<u>\$0 or (\$94,142)</u>	<u>\$0 or (\$84,224)</u>	<u>\$0 or (\$86,750)</u>
FTE Change – DOLIR	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
Estimated Net FTE Change for General Revenue Fund	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

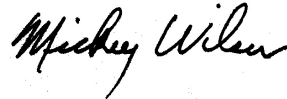
The proposed legislation requires documentation to verify the income of the parties for the initial order of child support and for any modification of the order. Documentation may include current wage stubs, a current W-2 form, statements from a party's employer, a wage match with the Division of Employment Security, and bank statements. (Section 452.340 – SA 1 as amended)

FISCAL DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Courts Administrator  
Department of Social Services  
Department of Labor and Industrial Relations  
Office of the State Treasurer

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
April 7, 2010